MUNICIPAL POTASH TAX SHARING ADMINISTRATION BOARD

FINANCIAL STATEMENTS

For the Year Ended December 31, 1999

Provincial Auditor Saskatchewan

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AUDITOR'S REPORT

To the Members of the Legislative Assembly of Saskatchewan

I have audited the statement of financial position of the Municipal Potash Tax Sharing Administration Board as at December 31, 1999 and the statement of operations and net assets for the year then ended. The Board is responsible for preparing these financial statements for Treasury Board's approval. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Municipal Potash Tax Sharing Administration Board as at December 31, 1999 and the results of its operations and its cash flows for the year then ended in accordance with generally accepted accounting principles.

Wayne Strelioff

Regina, Saskatchewan
February 16, 2000

Wayne Strelioff, CA
Provincial Auditor

Statement 1

MUNICIPAL POTASH TAX SHARING ADMINISTRATION BOARD
STATEMENT OF FINANCIAL POSITION
As at December 31

	1999	1998
ASSETS		
Current assets:		
Cash	$ 21,681	$ 20,477
Accounts receivable	---	---
	21,681	20,477
	$ 21,681	$ 20,477
LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable	$ ---	$ ---
Net assets - (Statement 2)	21,681	20,477
	$ 21,681	$ 20,477

(See accompanying notes to the financial statements)

Statement 2

MUNICIPAL POTASH TAX SHARING ADMINISTRATION BOARD
STATEMENT OF OPERATIONS AND NET ASSETS
For the Year Ended December 31

			1999	1998
Revenues:				
Municipal taxes received from rural municipalities (Note 5)			$ 6,326,121	$ 6,081,220
Less: Tax sharing distributions (Schedule 1)				
Areas of Influence	Rural	Urban		
Saskatoon/Lanigan	$ 3,309,023	$ 367,669	3,676,692	3,540,028
Esterhazy	2,000,607	222,290	2,222,897	2,150,285
Pense	372,492	41,388	413,880	378,742
	$ 5,682,122	$ 631,347	6,313,469	6,069,055
			12,652	12,165
Expenses:				
Office facilities – Saskatchewan Association of Rural Municipalities			6,000	6,000
Amortization			—	4,100
Secretary/Treasurer honorarium			3,950	3,950
Board members' allowances:				
Per diem			700	700
Mileage			528	187
Sustenance			120	35
Fidelity bond premium			150	150
			11,448	15,122
Surplus (deficit) for the year			1,204	(2,957)
Net assets, beginning of year			20,477	23,434
Net assets, end of year - to Statement 1			$ 21,681	$ 20,477

(See accompanying notes to the financial statements)

MUNICIPAL POTASH TAX SHARING ADMINISTRATION BOARD
NOTES TO THE FINANCIAL STATEMENTS
December 31, 1999

1. Authority

The Municipal Potash Tax Sharing Administration Board was established under Section 3 of *The Municipal Tax Sharing (Potash) Act*. Under provisions of the Act, taxes levied by rural municipalities on potash mines are remitted to the Board. The Board administers a tax sharing program. Disbursements to municipalities, located within the areas of influence of a potash development, are made on the basis of formulae prescribed in regulations.

2. Significant Accounting Policies

The financial statements are prepared in accordance with generally accepted accounting principles. The following accounting policies are considered significant.

a) Accrual Basis

The financial statements are prepared on the accrual basis of accounting.

3. Cash Flow Statement

A cash flow statement has not been provided since cash flow information is readily apparent from the other financial statements.

4. Administration Costs

The regulations permit the Board to withhold up to 0.5% of taxes received, to a maximum of $25,000, for the general administration of the Board. During the year, the Board withheld 0.2% of taxes received totalling $12,652.

5. Municipal Taxes Received From Rural Municipalities

Municipality	RM#	Budget 1999	Actual 1999	Actual 1998
Rocanville	151	$ 724,823	$ 724,824	$ 679,540
Spy Hill	152	859,038	859,040	821,969
Pense	160	416,671	414,709	379,501
Langenburg	181	642,463	643,487	653,085
Usborne	310	1,021,073	1,021,071	1,002,186
Colonsay	342	640,770	640,768	603,457
Blucher	343	582,181	683,346	654,789
Corman Park	344	563,179	563,179	536,347
Vanscoy	345	775,698	775,697	750,346
		$ 6,225,896	$ 6,326,121	$ 6,081,220

6. Budget

The budgeted amounts disclosed in these statements are those approved by the Municipal Potash Tax Sharing Administration Board.

7. Uncertainty due to the Year 2000 Issue

The Year 2000 Issue arises because many computerized systems use two digits rather than four to identify a year. Date-sensitive systems may recognize the year 2000 as 1900 or some other date, resulting in errors when information using year 2000 dates is processed. In addition, similar problems may arise in some systems which use certain dates in 1999 to represent something other than a date. Although the change in date has occurred, it is not possible to conclude that all aspects of the Year 2000 Issue that may affect the entity, including those related to municipalities, suppliers, or other parties, have been fully resolved.

8. Comparative Figures

Certain comparative figures have been reclassified to conform with the current year's presentation.

Schedule 1

MUNICIPAL POTASH TAX SHARING ADMINISTRATION BOARD
SCHEDULE OF TAX SHARING DISTRIBUTIONS MADE TO MUNICIPALITIES
For the Year Ended December 31

	Budget 1999	Actual 1999	Actual 1998
Saskatoon/Lanigan Area			
Rural Municipalities			
# 279 Mount Hope	$ 512	$ 526	$ 522
280 Wreford	17,817	18,324	15,605
281 Wood Creek	2,512	2,583	2,925
283 Rosedale	1,249	1,285	1,225
309 Prairie Rose	56,048	57,640	51,619
310 Usborne	258,783	266,135	264,484
312 Morris	175,672	180,663	179,678
313 Lost River	117,362	120,697	120,018
314 Dundurn	105,202	108,192	107,849
315 Montrose	111,103	114,259	113,848
316 Harris	24,361	25,053	24,956
339 Leroy	36,954	38,004	37,797
340 Wolverine	233,255	239,882	224,325
341 Viscount	217,521	223,701	222,508
342 Colonsay	255,159	262,408	240,929
343 Blucher	424,024	435,503	394,150
344 Corman Park	478,262	491,849	488,833
345 Vanscoy	429,066	441,256	415,260
346 Perdue	95,429	98,140	97,770
371 Bayne	24,698	25,399	25,272
372 Grant	37,491	38,556	38,364
373 Aberdeen	98,978	101,790	101,131
376 Eagle Creek	16,703	17,178	16,957
	3,218,161	3,309,023	3,186,025
Saskatoon/Lanigan Area			
Urban Municipalities			
Village of Aberdeen	6,254	6,431	6,192
Town of Allan	37,049	38,095	36,679
Town of Asquith	7,033	7,231	6,962
Village of Bradwell	7,653	7,869	7,576
Village of Clavet	17,891	18,396	17,713
Town of Colonsay	22,588	23,226	22,363
Town of Delmany	16,295	16,755	16,132
Town of Delisle	44,332	45,584	43,889
Village of Drake	3,259	3,351	3,226
Village of Elstow	4,908	5,047	4,859
Village of Guernsey	6,808	7,000	6,740
Village of Kinley	409	421	405
Town of Langham	13,880	14,272	13,742

MUNICIPAL POTASH TAX SHARING ADMINISTRATION BOARD
SCHEDULE OF TAX SHARING DISTRIBUTIONS MADE TO MUNICIPALITIES
For the Year Ended December 31

	Budget 1999	Actual 1999	Actual 1998
Saskatoon/Lanigan Area			
Urban Municipalities			
Town of Lanigan	62,487	64,251	61,863
Village of Lockwood	317	326	313
Town of Martensville	16,651	17,121	16,485
Village of Meacham	1,042	1,072	1,032
Village of Perdue	5,317	5,467	5,264
Village of Plunkett	1,122	1,153	1,110
Village of Vanscoy	16,677	17,148	16,511
Village of Viscount	15,569	16,009	15,414
Town of Vonda	3,813	3,921	3,775
Town of Warman	20,860	21,449	20,652
Town of Watrous	18,868	19,400	18,679
Village of Young	4,222	4,341	4,180
Village of Zelma	2,270	2,333	2,247
	357,574	367,669	354,003
	3,575,735	3,676,692	3,540,028
Esterhazy Area			
Rural Municipalities			
# 121 Moosomin	63,295	63,325	56,698
122 Martin	17,619	17,627	15,772
151 Rocanville	383,419	383,596	382,503
152 Spy Hill	524,617	524,859	473,486
153 Willowdale	52,309	52,333	67,538
181 Langenburg	397,573	397,756	381,617
183 Fertile Belt	336,267	336,422	332,969
211 Churchbridge	140,117	140,182	140,047
213 Saltcoats	84,468	84,507	84,626
	1,999,684	2,000,607	1,935,256
Urban Municipalities			
Village of Atwater	473	473	458
Village of Bangor	770	771	745
Resort Village of Birds Point	608	608	589
Town of Bredenbury	4,972	4,975	4,812
Town of Churchbridge	11,012	11,017	10,657
Town of Esterhazy	91,826	91,868	88,867
Village of Gerald	8,864	8,868	8,578
Town of Langenburg	14,323	14,329	13,861

MUNICIPAL POTASH TAX SHARING ADMINISTRATION BOARD
SCHEDULE OF TAX SHARING DISTRIBUTIONS MADE TO MUNICIPALITIES
For the Year Ended December 31

	Budget 1999	Actual 1999	Actual 1998
Esterhazy Area			
Urban Municipalities			
Town of Rocanville	47,291	47,313	45,767
Village of Spy Hill	14,268	14,275	13,809
Village of Stockholm	4,810	4,812	4,655
Village of Tantallon	8,215	8,219	7,951
Village of Welwyn	7,891	7,895	7,637
Village of Yarbo	6,864	6,867	6,643
	222,187	222,290	215,029
	2,221,871	2,222,897	2,150,285
Pense Area			
Rural Municipalities			
# 129 Bratt's Lake	2,507	2,495	2,435
130 Redburn	51,671	51,428	50,342
131 Baildon	17,598	17,515	17,093
159 Sherwood	27,553	27,423	26,870
160 Pense	159,478	158,727	142,679
161 Moose Jaw	77,866	77,500	65,607
189 Lumsden	10,494	10,445	10,189
190 Dufferin	20,011	19,916	19,077
191 Marquis	7,076	7,043	6,576
	374,254	372,492	340,868
Urban Municipalities			
Village of Belle Plaine	2,855	2,841	2,600
Village of Bethune	4,182	4,162	3,809
Village of Briercrest	1,394	1,387	1,269
Village of Disley	569	566	518
Village of Drinkwater	3,881	3,863	3,534
Village of Grand Coulee	3,747	3,729	3,413
Village of Pense	23,819	23,708	21,695
Village of Tuxford	1,137	1,132	1,036
	41,584	41,388	37,874
	415,838	413,880	378,742
Total tax sharing – to Statement 1	$ 6,213,444	$ 6,313,469	$ 6,069,055